

ASX Announcement | 29 January 2024
Variscan Mines Limited (ASX:VAR)

LEASE OF SAN JOSE MINE SITE & FACILITIES EXTENDED

Highlights

- **Signed a new agreement to lease the San Jose Mine site and facilities for a period of 3 years, extendable up to 6 years**
- **Site is already permitted for mineral exploration, development and mining activities**
- **Extensive in-situ facilities and infrastructure already in place**
- **Key enabler to support mine re-start strategy**

Variscan Mines Limited (ASX:VAR) (“Variscan” or “the Company”) is pleased to report it has entered into a new agreement to lease the San Jose mine site and facilities, near Novales, located in Cantabria, northern Spain.

San Jose Mine Site Lease

Shortly after the acquisition of the Spanish zinc projects in 2019 the Company entered into certain agreements with Hispanibal S.L. (“HSP”) (refer ASX announcement 26 September 2019) which included a Cooperation & Partnership Agreement. Under the terms of the Cooperation & Partnership Agreement, HSP agreed for Variscan to use the San Jose mine site and its facilities for a 4 year period for nil consideration. During which time Variscan invested in the upgrade of site and its buildings, especially its offices, core logging and storage facilities.

The Company has now signed a new agreement to lease the site and facilities for a period of 3 years and extendable up to 6 years, at the option of Variscan, at a competitive, commercial rate in line with prevailing local norms for industrial sites.

San Jose Mine Site with infrastructure in place is advantageous

The site confers a number of advantages to Variscan:

- 31,199m² site adjacent to the village of Novales is already permitted for use for mineral exploration, development and mining activities (see Figures 1 & 2)
- Access to the main portal of the underground San Jose Mine;
- The site comprises 5 permanent buildings. The total area of constructed buildings is 1,157m² with the ability add more warehouse area if required;
- The property has existing water supply, which is being upgraded and single-phase power. The site was previously supplied with overhead 3-phase power, re-connection will be assessed during Mine Re-Start Study work;

- Excellent core logging and storage facilities established (see Figures 3 & 4);
- Direct access via sealed roads capable of taking heavy goods vehicles;
- Site is within trucking distance (~145km) from the San Juan de Nieva zinc smelter operated by Asturiana de Zinc (100% owned by Glencore).
- Site is ~30km southwest from the regional capital, Santander which has an international airport and a deep water port with freight terminals.

Figure 1. Aerial view of San Jose Mine Site & Facilities



Figure 2. Ground view of San Jose Mine Site & Facilities (looking North)



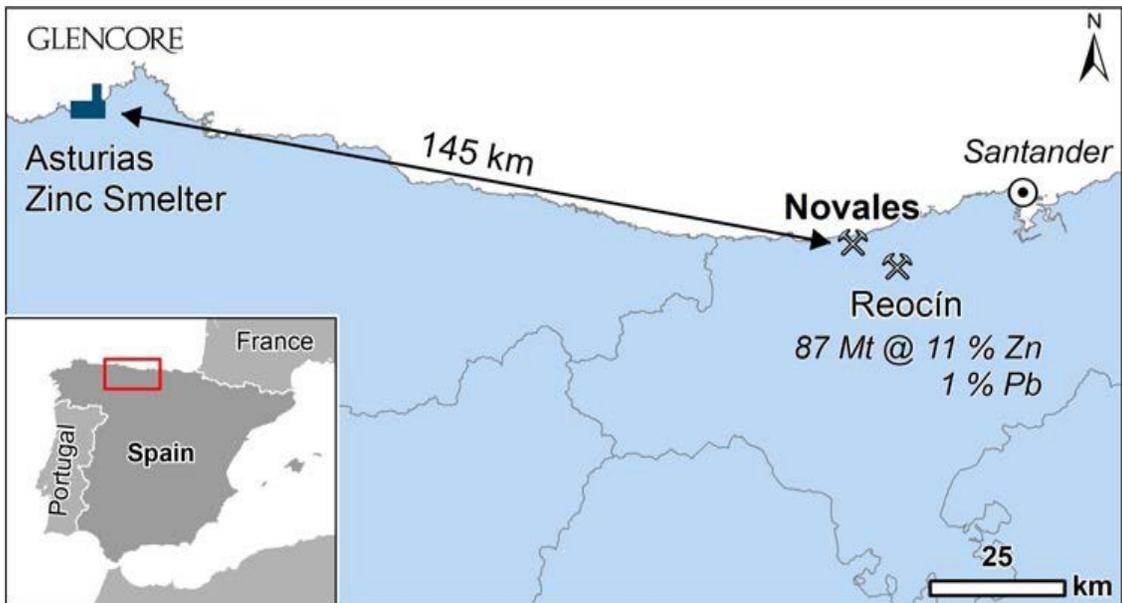
Figure 3. San Jose Mine Site Core Logging



Figure 4. San Jose Mine Site Core Storage



Figure 5. San Jose Mine site proximal to San Juan Smelter and regional capital, Santander



Variscan’s Managing Director & CEO, Stewart Dickson said:

“This is another positive step forward in the development of the high grade San Jose zinc mine utilising the in situ mine site, facilities and infrastructure. We are pleased to have secured the use of the site and that Hispanibal remain a supportive local partner and Variscan shareholder. This aligns with our strategy of seeking to re-start the mine and by leveraging these facilities aim to hopefully lower our re-start capex requirements and timeframes.”

For further information, please contact:

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About Variscan Mines Limited (ASX:VAR)

Variscan Mines Limited (ASX:VAR) is a growth oriented, natural resources company focused on the acquisition, exploration and development of high-quality strategic mineral projects. The Company has compiled a portfolio of high-impact base-metal interests in Spain, Chile and Australia. Its primary focus is the development of its advanced zinc projects in Spain. The Company’s name is derived from the Variscan orogeny, which was a geologic mountain building event caused by Late Paleozoic continental collision between Euramerica (Laurussia) and Gondwana to form the supercontinent of Pangea.

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